



## **Minutes City Council Issue Review Session May 6, 2010**

Minutes of the Tempe City Council Issue Review Session held on Thursday, May 6, 2010, 6:00 p.m., in the City Council Chambers, Tempe City Hall, 31 E. Fifth Street, Tempe, Arizona.

### **COUNCIL PRESENT:**

Mayor Hugh Hallman  
Councilmember P. Ben Arredondo  
Councilmember Joel Navarro  
Councilmember Corey D. Woods

Vice-Mayor Shana Ellis  
Councilmember Mark W. Mitchell  
Councilmember Onnie Shekerjian

***Mayor Hallman called the meeting to order at 6:05 p.m.***

### **Call to the Audience**

Chris Carr – Mr. Carr stated that he is with the Daley Park Neighborhood and thanked Councilmember's for the creation of the Streetscape and Transportation Enhancement Program. This program has been instrumental in helping Daley Park residents to create a street calming design that reduces cut through traffic and speeding. That plan was approved by nearly 192 households. Mr. Carr requested that Councilmember's consider funding these traffic calming improvements. This plan has taken over three years to complete and needs to be funded to completion. Most important, at stake is the safety of the residents of Daley Park as well as the Tempe citizens that use Daley Park. Over 3,000 cars per day go in and out of this neighborhood. There is a speeding problem that makes us fear for our children, families, pets and ASU students that live in this area. This neighborhood averages one robbery per month on average.

Ernie Nickels – Knowing that the Daley Park improvements have been postponed for 3-5 years, residents are requesting that the traffic calming portion of this project be funded to minimize cut through and speeding traffic.

Mayor Hallman stated that there is approximately \$1.1 million in Capital Improvement Program (CIP) funding and asked Mr. Nickels if he would be willing to make recommendations on CIP prioritization and how this program would fit into the CIP budget priority list. John Osgood stated that the total cost of the traffic calming portion of this project for this neighborhood is approximately \$275,000. Mayor Hallman stated that an added challenge is that the legislature has taken the LTAF funds that would otherwise be used for street improvements, which amounts to a loss of approximately \$800,000.

Councilmember Arredondo suggested that a priority list of CIP projects be prepared so that when the economy improves, staff and Council are prepared to move forward. Mayor Hallman mentioned that the property tax is a funding source for the CIP, which is on a two year lag; however as recovery occurs, it would be a good idea to have a list of CIP projects that have already been prioritized so there is no lag time in making those decisions and instituting projects as soon as possible.

Mr. Nichols stated that this is a fundamental issue of safety for citizens. Mayor Hallman stated that Tempe leadership is in the midst of cutting nearly \$34 million out of the operations budget due to the economic recession – including cuts to public

safety. There is a sales tax ballot measure coming up that would fund \$8.5 million worth of programs that would otherwise be eliminated, should this ballot measure be passed by voters. Council and staff have been working since last October to prioritize the operations budget. The CIP budget has gone from \$110 million to \$1.2 million. Staff has prepared a list of projects that the City must legally fund because of contractual obligations, which absorbs \$6 million. That does not address the fact that the Transit Program has an \$18 million deficit, which is yet to be addressed. The Arts Fund has a projected \$2 million operating deficit that is depleting existing reserves. The Rio Salado Fund is also experiencing a budgetary deficit.

Barbara Brandon – Our neighborhood residents meet regularly and look out for one another. Ms. Brandon voiced her support for preserving the Neighborhood Grant Program.

## **General Fund Budget Priorities List**

### **DISCUSSION**

Mayor Hallman stated that the General Fund budget priority list is available on the City's website. Jerry Hart stated that on March 4, Council prioritized the General Fund budget, which is color coded by red (slated for elimination 6/30/10 – items 1-163); yellow (items subject to the result of the 5/18 election – if approved, these budget items would be retained – items 163.1 - 205); green (items to be retained – items 206-212).

Councilmember Arredondo mentioned an upcoming agenda item relating to the issuance of neighborhood parking permits and asked Charlie Meyer why there is a budget proposal to eliminate meter reader staff positions that would normally issue citations for parking violations. Mr. Meyer stated that instead of continuing to utilize specialized parking staff to enforce neighborhood parking permits, the Police Department (PD) will oversee this activity during their regular patrol activity. This may be less of a proactive approach; however the (PD) is going to be prepared to respond to permit parking violations on a complaint basis. Mr. Meyer added that parking enforcement will clearly not be a priority over emergency calls for service. Councilmember Arredondo asked what is the justification to eliminate parking enforcement personnel, since they bring in revenue that covers their salaries. Mr. Meyer stated that the proposal to eliminate meter readers originated from the PD budget cut proposal and was based on the premise that PD had to make cuts to their overall budget. The revenues that have been the outcome of the meter reader parking enforcement program have not covered the cost of those employees. The Downtown Tempe Incorporated (DTC) will continue to assist in parking enforcement in the downtown, however there is a cost associated with this activity.

Mayor Hallman explained to the public that each department prepared budget cut proposals and then presented that data to Councilmember's for final consideration.

Councilmember Navarro voiced concern over the closure of McClintock High School swimming pool. Mayor Hallman followed up by asking staff to explain how the swimming pool recommendations were formulated by staff. Mark Richwine stated that the Parks and Recreation Department prepared their budget cutting recommendations based on service levels and expenses and items that had better returns on investments as a whole. Many Parks and Recreation programs have fees associated with them. Based on that criteria, staff determined that the attendance and daily activity at the McClintock swimming pool was not that significant and that the resources being allocated to the McClintock High School swimming pool would be better be spent at the Kiwanis Recreation Center and the Escalante Center in order to continue to meet this community need. Mayor Hallman stated that the citizens that used the McClintock swimming pool should be advised of the other two swimming pools slated to remain open.

Councilmember Navarro stated that the McClintock High School swimming pool offers kids a friendly area swim and that the McClintock pool is not slated to be drained because the school is offering other activities. Councilmember Navarro asked staff if they could research the possibility of offering limited pool hours and if so, how much would that cost. This

is a centralized location in Tempe. Mark Richwine stated that the overall operation and cost of the McClintock pool was significantly more than the budget proposal that was put forth in the budget recommendation. To minimize the impact of service, staff agreed that a reallocation of funding to the Kiwanis Park swimming pool and Escalante Center swimming pool would be an appropriate outcome. Staff thoroughly studied all of the Parks and Recreation programs being provided to the community and in an effort to provide balance, given the array of variables, made the recommendation to not fund the McClintock pool summer swimming program.

Mayor Hallman commented that Council has the latitude to reprioritize adding the McClintock High School swimming pool back into the funded portion of the budget. Councilmember Arredondo asked who is using this swimming pool during the summer months. Mark Richwine stated that the City currently has an agreement with the United States Swimming Club to use this facility and the facility is also used during the summer evening hours. In the fall it is used by the Tempe Union High School District for their competitive swimming programs. Councilmember Arredondo suggested that staff work with school district officials to determine what the cost is to offer this amenity to the public on a limited basis during the summer months. Mayor Hallman asked Mr. Richwine who owns the McClintock Pool. Mark Richwine stated that the City owns the actual physical improvements and the high school district owns the land underneath. Mayor Hallman stated that the school district operates this facility and the City contracts with the school district to allow it to remain open for summer swim use by paying the cost of operations. When a third party is utilizing the facility, it then becomes a revenue generating opportunity for the City.

Councilmember Arredondo stated that the next Request for Proposals (RFP) could include verbiage that assesses the costs of public use to the respondents.

Mayor Hallman asked how much the Escalante pool improvements cost. Mr. Richwine responded that the 1996 modification to this facility cost approximately \$1 million. Mayor Hallman added that this facility is less than two miles from the McClintock High School swimming pool.

Councilmember Arredondo stated that it would be ideal for the school districts to pay for the operation of the McClintock swimming pool during the summer months, for public use.

Vice-Mayor Ellis asked if staff has considered modifying the hours of operation so that the existing budget (prior to the next fiscal year) could be spread out over the summer months in order to allow this facility to remain open. Mr. Richwine stated that there are available operating funds up until mid June; however after June, 2010, those funds would no longer be available. Mayor Hallman pointed out budget cut items that are located on the priorities list near this budget cut item, such as Homeland Defense Bureau Commander, that is also slated for elimination. This budget process has been very open and public and cautioned Councilmember's that reopening the priorities exercise could be very difficult and dangerous.

Vice-Mayor Ellis stated that this discussion is appropriate due to the e-mails that councilmember's are getting from the public that are concerned about this particular budget cut. Councilmember Navarro agreed with the Vice-Mayor and stated that the swimming season is approaching. Councilmember Navarro suggested that staff keep these concerns in mind during the next budget cycle and prepare budget options that would allow this facility to remain in operation during the summer months. Councilmember Shekerjian stated that staff has done a fine job in balance the budget this year and Mayor Hallman agreed and reiterated the transparency of this process.

Councilmember Shekerjian suggested that staff communicate with the Communities in Schools Program leadership to find out if there are potential grant funding opportunities they could assist with. Staff and Councilmember's have taken

this budget process very seriously, but there is only so much money to go around.

Councilmember Arredondo suggested that staff meet with the Sister Cities and Kiwanis organizations to seek additional funding opportunities. Teaching kids how to swim was noted as Councilmember Arredondo's biggest concern. Mayor Hallman stated that there are organizations that support kids swimming programs and they should be considered as being potential partners.

### **CONSENSUS**

Staff was asked to talk with schools and organizations to see if they would be willing to pick up costs to keep McClintock Pool open or look at grants.

## **Proposed Capital Improvement Program (CIP) Reserve Expenditures**

### **DISCUSSION**

Mayor Hallman asked staff to describe the CIP budget items that make up the \$115,000 for the upcoming fiscal year and then the balance of \$196,000 that remains and why. Charlie Meyer stated that most of the CIP is done through bonded indebtedness from bonds issued that the community has already approved. That is the bulk of the CIP, where there is really no capacity to do anything, what is left is cash. The things staff has funded in the CIP with cash are things that are not eligible to be funded with bonds. The place cash comes from is excess reserves from the General Fund, which has been previous Council policy. There are no excess reserves from the General Fund budget to add to the CIP budget; in fact the General Fund budget anticipates a \$20 million deficit.

There is \$7 million in the CIP budget, most of which has been committed to the fire support services facility project. The remaining funds, \$1.2 million are what are left in the CIP for Council consideration. Jerry Hart stated that the list of projects staff has prepared for Council consideration are infrastructure related. An example of this is roof leaks, which must be addressed promptly or the costs to repair the damage dramatically increases.

Councilmember Mitchell asked if staff has included some sort of funding level for the Neighborhood Grant Program. This program was funded at \$225,000 for the last fiscal year. Mayor Hallman stated that his preference would be to appropriate approximately \$100,000 for this program. Councilmember Arredondo stated his preference would be between \$150,000 and \$175,000 in funding for this program. Mayor Hallman stated that there may be funding from the historic preservation fund that has previously been allocated for a Veterans Memorial, or \$250,000 for monies previously allocated to the Birchett House Rehabilitation Program, which Arizona State University has now taken over. These funds could be reallocated to supplant CIP program projects which would have to be spread out over the next five years.

Councilmember Woods asked Mr. Meyer to research and prepare a list of additional sources of funding that might be included in the CIP program, prior to determining community priorities.

Charlie Meyer stated that staff has prepared a list of projects that would fit into the neighborhood grant program funding. The funding source for the neighborhood grant program has typically come out of the cash from the capital reserve, which gives spending flexibility.

Mayor Hallman acknowledged the infrastructure expenditure suggestions prepared by staff and suggested that the \$250,000 from the Birchett House be spread out over a five year period. Should excess revenue become available, then it would be allocated based on the CIP budget priorities yet to be identified by Council.

Councilmember Arredondo stated that he was strongly opposed to the elimination of the neighborhood grant program

and asked the City Manager to work with staff to see what level of spending would be appropriate for this program.

Mayor Hallman stated that the CIP budget program is a five year program and includes the assumption of an economic recovery and eventual increase of property valuations. With those projections, there is \$1.3 million left to be allocated over a five year period.

### **CONSENSUS**

Staff was directed to prepare CIP project list and costs as well as any sources of cash to enable Council to set priorities.

## **Proposed Light Rail Service Changes**

### **DISCUSSION**

Carlos de Leon introduced Steve Banta, CEO of Metro Rail and Greg Jordan who will be participating in the discussion of the proposed light rail service changes. Staff is proposing the following light rail service changes that, if approved, would be instituted on July 26:

- Reduce peak service frequency from 10 to 12 minutes
- Reduce peak service by 2 hours (1 ½ hours in the a.m., and ½ hour in the p.m.) from 6 a.m. to 7 p.m. to 7:30 a.m. to 6:30 p.m.
- Implementation of holiday service levels to five additional days

The cities of Tempe, Phoenix and Mesa provide all the operating dollars for Metro Rail. Each of these cities relies primarily on sales tax. Tempe has an \$18 million transit structural deficit that must be addressed. In conjunction with this process, the Transportation Commission has been working on a transit financial balancing plan that will be presented to Council on May 21.

Staff is recommending that \$3.5 million in bus and rail services be cut from the budget. The Transportation Commission has approved the service frequency reduction recommendation, however they did not agree with the two hours of peak service reduction hours, which were selected based upon ridership data. The commission did not look at the holiday service level proposal, which would also be instituted in the bus system schedule for consistency sake.

These recommendations have been reviewed by the Council Transportation Commission. Metro is scheduled to approve their budget on May 19, so staff is seeking direction on what Tempe's share of that budget proposal will be.

Councilmember Shekerjian stated that she has ridden the light rail and seen riders that do not buy tickets when they ride the train. Councilmember Shekerjian asked if staff has considered increasing enforcement to ensure that people are paying fares because she has never seen anyone enforcing this portion of the program. Vice-Mayor Ellis commented that she has been on the light rail and observed fare/transit pass enforcement. Steve Banta stated fare enforcement is done consistently in Tempe. Mayor Hallman added that Mesa and Tempe police departments have worked proactively to ensure that fares are paid from riders and that Phoenix is working towards that standard.

Mr. Banta stated that some people have pre-paid multi-day passes. Metro is working to improve the transaction time for the fare pass reader machines, making the fare readers easier to read, and improving the inspector's ability to validate transit passes. Mr. Banta stated that Metro is also increasing PD and Metro employee presence to reinforce positive behaviors.

Councilmember Shekerjian asked why the Metro does not sell advertising space inside the trains. Mr. Banta stated that ad placement is allowed inside the trains on the floor, but no where else on the train interiors.

Vice-Mayor Ellis stated that one of the original budget cutting proposals was to eliminate late night service, however Tempe and Phoenix officials both agreed that retaining those services levels is a priority that should remain in tact.

### **CONSENSUS**

Move forward with the proposal to present to Valley Metro Rail.

## **Union Pacific Railroad Noise Mitigation Update**

### **DISCUSSION**

Jeff Kulaga stated that federal regulations require that train horns must be sounded at all public grade crossings for 15-20 seconds within a quarter mile prior to crossing. The purpose of this is to warn pedestrians and motorists of on-coming trains. The train and railroad may be held liable, should a horn not be sounded and an accident occurs. The horn is meant to be loud, per federal standards (a minimum of 96 decibels and a maximum of 110 decibels).

Communities do have the latitude to establish quiet zones, which is underway in north central Tempe. A quiet zone is a railroad corridor that is 1.5 miles in length in which the activation of train horns are prohibited except in certain safety situations. Mayor Hallman added that staff is also working on instituting a quiet zone in the southwestern portion of Tempe, near Elliot Crossing. Several governmental agencies must engage in this process – railroad officials, Arizona Department of Transportation, Arizona Corporation Commission and other relevant entities. It has taken four years to get to this point in the process. Mr. Kulaga added that the process takes approximately five years to complete.

Councilmember Navarro asked if other cities have quiet zones. Mr. Kulaga responded that Phoenix does have quiet zones, but they must be renewed each year. Councilmember Navarro asked if neighborhood residents have any input into this process. Mr. Kulaga responded yes, however one current obstacle is that the railroad industry does not have set schedules because it is based on demand for service (economically driven), versus having a predictable schedule. Staff is working with railroad officials to gets a consistent schedule so that information can be communicated to area residents.

### **CONSENSUS**

Presentation only.

## **Photo Enforcement Update**

### **DISCUSSION**

Angel Carbajal stated that for the six months prior to the auto feedback sign installations, the number of citations issued at 200 South Rural Road were 23,348; for the six months following the signs being installed, the number of citations issued was 4,683. For 500 South Rural Road, those numbers were 6,176 citations issued prior to the installation of signage; 2,793 citations were issued after the signage was installed. For 600 South Priest Drive, 3,105 citations were issued for the 6 months prior to the installation of signage and 1,156 for the six months after the installation of signage.

Councilmember Shekerjian asked Mr. Carbajal to explain what the purpose of photo radar is in Tempe. Mr. Carbajal explained that the purpose of photo radar is to get drivers to slow down and to prevent collisions. It's a safety issue. Councilmember Shekerjian acknowledged that more drivers are slowing down as evidenced by the lower number of citations being issued after the signage has been installed and voiced her appreciation of the intent of this tool in conjunction with the stationary photo radar.

Vice-Mayor Ellis asked staff how the recently passed legislation affects municipal photo radar programs. Mr. Carbajal stated that he was not familiar with that legislation. Vice-Mayor suggested that staff research that legislation to ensure that Tempe is in compliance with state law.

Councilmember Arredondo agreed with Councilmember Shekerjian on the positive influence the feedback signs have in the community and asked staff to consider adding additional signage in Tempe if there is budget money available.

### **CONSENSUS**

Presentation only.

## **Formal Council Agenda Items**

None.

## **Future Agenda Items**

Mayor Hallman stated that traditionally there is a Council swearing in ceremony at the first regularly scheduled Council meeting in July. Councilmember Shekerjian and Vice-Mayor Ellis will be participating in that ceremony as well as Council Elect Robin Arredondo-Savage. Councilmember Arredondo will then be rotating off of his final term serving as a Councilmember. Traditionally there is a reception for incoming Councilmember's and a separate reception for outgoing Councilmember's. In light of the budget crisis, Councilmember Arredondo has suggested that these receptions be combined and held at a City facility to keep costs to a minimum. This reception will be held at the Tempe Transportation Center directly after the July 1, swearing in ceremony.

A lot of questions have arisen regarding future transit options. This has been discussed in the Transportation Committee. Vice-Mayor Ellis stated that the Transportation Committee will be offering a resolution before Council on May 20, to reaffirm the Council's commitment to the south Tempe corridor study and discuss the public involvement process.

Councilmember Shekerjian thanked Mayor Hallman for acknowledging the incoming and outgoing Councilmember reception and requested that Councilmember's schedule a discussion about the election process. Councilmember Shekerjian stated that currently there is a Primary and General election process, but it becomes cost prohibitive for candidates to run in multiple elections. She asked that this be put on a future IRS for Council discussion and exploration. Mayor Hallman suggested this would be an issue for the new City Clerk to undertake research on. Councilmember Woods felt that there may be legislation in the process that addresses this that provides for cancelling an election should there be fewer candidates than the number of seats available. Staff was requested to prepare information pertaining to potential legislation changes regulating primary and general elections for a future Council discussion.

## **Mayor's Announcements/Manager's Announcements**

Charlie Meyer stated that Councilmember's recently authorized the issuance of bonds. Part of that process requires that the bond rating agencies evaluate the City's bond rating. In the midst of the worst economic recession, Moody's Investor Service has tentatively rated Tempe as qualifying for AAA Bond rating status. This is an upgrade from the previous bond rating of AA1. This is a testament to the City Council's decision making skills during this economic crisis.

***Meeting adjourned at 7:35 p.m.***

---

Jan Hort  
City Clerk